

U.S. HOUSE OF REPRESENTATIVE
COMMITTEE ON THE JUDICIARY
October 1, 2002

**H.R. 5469 Forces Out-of-Work Musicians to Give Big Companies an Interest-Free Loan
VOTE "NO" ON H.R. 5469**

Dear Colleague:

We ask you to oppose H.R. 5469. **H.R. 5469 forces musicians, like recording artists, back-up bands, and background vocalists, to make interest-free loans to multi-billion dollar Internet radio companies.**

In 1998, Internet radio companies convinced Congress to limit the rights of musicians and sound recording copyright owners to collect royalties for the performance of their music. Congress told musicians that they could not charge Internet radio companies a market rate for using their music, but would have to let Internet radio companies use it at a government-mandated rate. Congress also told musicians that they would have to wait until the Library of Congress set a rate before they would get paid for the use of their music on the Internet.

Four years later, musicians are still waiting to get paid. For four years, big Internet radio companies have used musicians' music and not paid them a dime. Now, when musicians are finally about to get paid, H.R. 5469 would force them to give Internet radio companies, **including many with billions in revenue**, an interest-free loan for another six months.

Musicians shouldn't have to subsidize multi-billion companies. Big Internet radio companies have poured millions of dollars into building their services. They have paid for computer servers, broadband connections, custom software, executive salaries and stock options, so why don't they have any money to pay musicians for the music their services are built on?

Webcasting royalties represent real money to musicians. While the Librarian of Congress decided that musicians will only receive 0.035 cents per song per listener, this is still an important revenue stream. Most musicians live gig to gig, with the next paycheck always in question. Webcasting royalties would provide a much-needed supplement to this otherwise inconsistent livelihood.

Members of Congress should not force musicians to give big Internet radio companies another interest-free loan on the use of their music. Congress should instead be telling these big companies to pay up, and pay up now!!

Do what's right, tell big Internet radio companies that it is time to pay up, and tell them that Congress won't force musicians to give them a loan.

Sincerely,

HOWARD L. BERMAN
Ranking Member, Judiciary
Subcommittee on Courts,
the Internet, and Intellectual Property

JOHN CONYERS
Ranking Member
Judiciary Committee

KAREN MCCARTHY
Member of Congress